

Canadian Bronze Company, Limited

Montreal, Canada



Annual Report
1941

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CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED

Established 1896

CANADIAN BRONZE COMPANY,
LIMITED

DIRECTORS

ROSS H. McMASTER	JOSEPH A. KILPATRICK
ALBERT E. DYMENT	H. CARSON FLOOD
RICHARD O. JOHNSON	WILFRID GAGNON
AUBREY H. ELDER, K.C.	WILLIAM L. BAYER

EXECUTIVE OFFICERS

W. L. BAYER, *President and Managing Director.*

R. J. KING, *Treasurer.*

W. C. PAQUETTE, *Secretary.*

F. C. COLE, *Assistant Secretary.*

Solicitors

WAINWRIGHT, ELDER & McDOUGALL

Executive Offices

999 DELORIMIER AVENUE - MONTREAL



CANADIAN BRONZE COMPANY, LIMITED

TO THE SHAREHOLDERS:

Your Directors take pleasure in presenting a Consolidated Income Account and Balance Sheet showing the result of the past year's business and the financial position of your Company and its wholly-owned subsidiaries as at December 31st, 1941.

Profits were in excess of the previous year's by \$236,373 before income taxes and by \$93,373 after income taxes.

Dividends were paid during the year at the rate of \$5.00 per share on your preferred stock and \$1.50 per share on your common stock, with an extra dividend of 50 cents per share on the latter.

After an allowance for taxes and the aforementioned dividends an amount of \$83,649 was transferred to earned surplus. An amount of \$25,000 was charged against earned surplus as an additional tax-paid reserve against your investments.

The nature of our business has allowed us to contribute to the war effort in many ways. Munitions and other industrial companies producing war materials have been in great need of many intricate types of bronze castings not ordinarily made in this country. Because of past experience and facilities built up over a long period of years we have been able to assist these companies in solving some difficult metallurgical problems and to produce much essential material they require. In this connection we would like to express our appreciation of the valuable cooperation accorded to us at all times by the Dominion Government, the Navy, the Army and the Air Force. A brochure which accompanies this report outlines certain phases of this direct war work.

However, as you are aware, our principal business is the supplying of the Canadian railroads with certain essential equipment. As transportation has become a more and more important factor in modern warfare our efforts in the past year continued to be directed towards speeding up deliveries to the railroads while maintaining high quality in the products we supply. We think our customers will agree that on the whole that objective was successfully attained.

An increase in the volume of business handled by your plants resulted in larger earnings and larger earnings involve the paying of higher income taxes. The appropriation for these taxes for this past year is \$263,000 as compared with \$120,000 in 1940 and \$70,000 in 1939. As shareholders you may reasonably be gratified that the business is contributing to the war effort not only materials but money as well.

It is with deep sorrow that we record the death of Sir Herbert S. Holt, who had been a member of your Board of Directors since the formation of the present company in 1927. His wide knowledge of Canadian business and his sound judgment were invaluable to your Company, in whose progress he took a keen and active interest.

Monthly meetings of your Board of Directors were held throughout the year. The books of your Company have been audited regularly and the certificate of the Auditors appears herewith.

Your Directors again desire to express their appreciation of the efficient work and loyal co-operation of the employees in these trying times.

By Order of the Board,

W. L. BAYER, *President.*

CANADIAN BRONZE

AND WHOLLY OWNED

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash	190,927.99		
Accounts Receivable—Less Reserve	531,869.99		
Inventories:			
Quantities determined by actual count or weight, priced at the lower of Cost or Market and certified to by Officers of the Companies.			
Raw Material, Goods in process and finished stock	633,035.77		
Less—Raw Material held for Customers' Account	73,982.20	559,053.57	1,281,851.55

INVESTMENTS:

Marketable Securities—

Government Bonds and Preferred and Common Stocks of Canadian and Foreign Companies..	191,712.37		
Less—Reserve	137,959.59	53,752.78	

(Quoted Market Value—\$69,398.50)

Non-Marketable Securities—

Guaranteed First Mortgage Certificates	57,500.00		
Less—Reserve	37,500.00	20,000.00	
		73,752.78	

Revenue Accrued to date	112.11	73,864.89	
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LIFE INSURANCE POLICIES			1.00
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Cash Surrender Value as at 31st December
1941—\$10,726.87.

FIXED ASSETS:

Land, Buildings, Machinery and Tools, Plant, Patterns, Office Furniture and Fixtures.			
Valued on the basis of appraisals made on 30th April 1934 and 13th October 1934 by the Canadian Appraisal Company, Limited with additions since the dates of these appraisals at Cost	1,508,969.44		
Less—Reserves for Depreciation	712,540.83	796,428.61	

CONTRACTS, RIGHTS, PATENTS AND GOODWILL			1.00
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\$2,152,147.05

COMPANY, LIMITED

SUBSIDIARY COMPANIES

as at 31st December 1941

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	222,628.87	
Dividends payable 2nd February 1942—		
On Preference Shares	9,375.00	
On Common Shares	70,000.00	79,375.00
Income and Excess Profits Taxes ..	269,889.11	
Less—Paid on Account	36,000.00	233,889.11
Sales Tax Payable	18,919.37	554,812.35

INSURANCE RESERVE	15,757.55
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INVENTORY RESERVE	52,287.33
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5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:

Authorized—	
15,000 Shares of \$100.00 Par Value <u>\$1,500,000.00</u>	
Issued and Fully Paid—	
7,500 Shares	750,000.00

COMMON STOCK AND EARNED SURPLUS:

Common Stock—without Nominal or Par Value	
Authorized—100,000 Shares.	
Issued and Fully Paid—80,000 Shares	197,395.24
Earned Surplus—as per attached statement	581,894.58
	779,289.82
	<u>\$2,152,147.05</u>

Approved on behalf of the Board,

R. H. McMASTER	} Directors
W. L. BAYER	

AUDITORS' REPORT

TO THE SHAREHOLDERS,

CANADIAN BRONZE COMPANY, LIMITED, MONTREAL.

We have audited the books and accounts of Canadian Bronze Company, Limited, and its Wholly Owned Subsidiary Companies for the year ended 31st December 1941, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

(Signed) McDONALD, CURRIE & CO.,

MONTREAL, 2nd February 1942

Chartered Accountants.

CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

Consolidated Statement of Profit and Loss for the year ended 31st December 1941

OPERATING PROFITS—

From Subsidiary Companies	629,331.81		
Less—Provision for Depreciation of Fixed Assets	42,127.12		
Provision for Income and Ex- cess Profits Taxes	263,000.00		
Legal Fees	797.33		
Directors Fees	9,320.28		
Salaries and Fees of Execu- tive Officers	40,034.72	355,279.45	274,052.36

NET REVENUE—

From Investments, Interest and Rentals	7,097.55
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NET PROFITS FOR THE YEAR	281,149.91
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Deduct—Dividends Paid and Payable:

Preference	37,500.00	
Common	160,000.00	197,500.00

BALANCE OF NET PROFITS FOR THE YEAR

Transferred to Consolidated Statement of Earned Surplus	\$83,649.91
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Consolidated Statement of Earned Surplus for the year ended 31st December 1941

BALANCE AT CREDIT AS AT 31ST DECEMBER 1940 . . .	523,244.67
Add—Balance of Net Profits for the year	83,649.91
	606,894.58
Deduct—Additional Appropriation to Invest- ment Reserve	25,000.00
BALANCE AT CREDIT AS AT 31ST DECEMBER 1941 as per Consolidated Balance Sheet	\$581,894.58

CANADIAN BRONZE COMPANY,
LIMITED

Works located at

MONTREAL, QUEBEC
ST. THOMAS, ONTARIO
WINNIPEG, MANITOBA
CALGARY, ALBERTA
LYNDONVILLE, VERMONT

Transfer Agents:

THE ROYAL TRUST COMPANY
MONTREAL and TORONTO

Registrars:

THE TORONTO GENERAL TRUST CORPORATION
MONTREAL and TORONTO



